

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6576**

**BILL NUMBER:** SB 475

**NOTE PREPARED:** Jan 9, 2015

**BILL AMENDED:**

**SUBJECT:** Hemp Oil Registry for the Treatment of Epilepsy.

**FIRST AUTHOR:** Sen. Tomes

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill has the following provisions:

- (1) Establishes a hemp oil registry for certain physicians, individuals, and caregivers for the use of hemp oil in the treatment of a child with intractable epilepsy.
- (2) Establishes a pilot study registry for physicians interested in studying the use of hemp oil in the treatment of intractable epilepsy.
- (3) Requires the Indiana State Department of Health (ISDH) to develop and maintain both registries.
- (4) Provides civil, criminal, and administrative immunity for physicians in the use of hemp oil in the treatment of intractable epilepsy if certain requirements are met.
- (5) Exempts caregivers and individuals from criminal penalties for possession or use of hemp oil if the caregivers and individuals are registered with the ISDH and are using the hemp oil for the individual and in the manner approved for registration.
- (6) Encourages state educational institutions to research the use of hemp oil in the treatment of intractable epilepsy.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** *Summary:* The estimated annual state expenditures to implement the two registries in the bill could be \$262,000. However, these costs could be minimized to the extent the INSPECT program can be used for the purposes of maintaining information on physicians, patients, and caretakers who are authorized to handle, prescribe, and use hemp oil.

*Additional Information:* The bill creates two registries: a hemp oil registry for patients, caregivers, and physicians and a pilot study registry for use by physicians performing hemp oil research at a state educational institution.

North Carolina passed legislation in 2014 that created two hemp oil registries and study requirements similar to those contained in the bill. The North Carolina Department of Health and Human Services estimated the annual cost to create and operate the required registries to be \$383,000, but disclosed this amount overestimates the actual costs since North Carolina is operating the registry for patients, caregivers, and physicians through the North Carolina Controlled Substances Reporting System (another, preexisting registry for tracking controlled substances that is similar to Indiana's INSPECT registry).

The North Carolina hemp oil research registry is not currently operational because no qualified physicians have indicated they would like to research hemp oil at this time. The estimated annual costs of the North Carolina registries include two FTE staff positions, a contract for development of the registries, annual maintenance, and annual operational costs. After accounting for the difference in state population between Indiana and North Carolina, the estimated annual state expenditures to implement the requirements of the bill could be as high as \$262,000.

However, state costs could be minimized to the extent the INSPECT program can be used for the purposes of maintaining information on physicians, patients, and caretakers who are authorized to handle, prescribe, and use hemp oil. The Professional Licensing Agency (PLA) reports that including hemp oil as one of the controlled substances in the INSPECT registry could be accomplished with minimal increases in state expenditures for software upgrades and reformatting to include an additional controlled substance.

**Explanation of State Revenues:** *Summary:* This bill could increase state revenue from registration and renewal fees paid by individuals who choose to register with the hemp oil registry and pilot study registry. However, if the ISDH were to utilize the INSPECT program to fulfill some of the requirements of the bill, the state could decide not to collect registration fees. The actual impact on state revenue will depend on administrative decisions regarding how to implement the bill.

*Additional Information:* Currently, INSPECT does not assess fees to individuals who are registered or access the registry. However, under the bill, individuals who register would be subject to a \$50 registration fee for the first year they register and a \$25 renewal fee every year thereafter while they are receiving, prescribing, or helping to administer hemp oil. The bill also allows the ISDH to collect a registration fee for physicians who wish to register with the hemp oil pilot study registry to cover the costs of administering this registry, but does not specify registration fees.

There are an estimated 34,000 to 56,500 children in the state who have epilepsy. An estimated 20% to 30% could have intractable epilepsy. It is not known how many children with intractable epilepsy will be prescribed and use hemp oil. If at least 5% of the estimated children with intractable epilepsy and at least one caretaker were to register with the hemp oil registry, state revenue could increase (1) between \$34,000 and \$85,000 in the first year of registry operation and (2) between \$17,000 and \$42,000 per year thereafter from renewal fees.

#### **Explanation of Local Expenditures:**

#### **Explanation of Local Revenues:**

**State Agencies Affected:** ISDH.

**Local Agencies Affected:** Local health departments, law enforcement agencies.

**Information Sources:** Sonya Brown, North Carolina Department of Health and Human Services; Joey Fox, ISDH; Holly Walpole, Indiana Professional Licensing Agency; Benbadis and Hauser, *An estimate of the prevalence of psychogenic non-epileptic seizures*, European Journal of Epilepsy, June 2000, Volume 9, Issue 4, pgs 280-281.

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